

AUG 26 2010

REG-118412-10

LEGAL PROCESSING DIVISION  
PUBLICATION & REGULATIONS  
BRANCH

**PUBLIC  
SUBMISSION**

<b>As of:</b> August 26, 2010
<b>Received:</b> August 10, 2010
<b>Status:</b> Posted
<b>Posted:</b> August 26, 2010
<b>Tracking No.</b> 80b2d316
<b>Comments Due:</b> August 16, 2010
<b>Submission Type:</b> Web

**Docket:** IRS-2010-0010

Group Health Plans and Health Insurance Coverage Rules Relating to Status as a Grandfathered Health Plan Under the Patient Protection and Affordable Care Act

**Comment On:** IRS-2010-0010-0001

Group Health Plans and Health Insurance Coverage: Interim Final Rules for Relating to Status as a Grandfathered Health Plan under the Patient Protection and Affordable Care Act

**Document:** IRS-2010-0010-0442

Comment on FR Doc # 2010-14488

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## Submitter Information

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## General Comment

See attached Word document.

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## Attachments

**IRS-2010-0010-0442.1:** Comment on FR Doc # 2010-14488

**Additional Comments Regarding Section 1251 of the Public Health Service Act Prior to Rule-making**

**Submitted to the Department of Health and Human Services, Department of Treasury, and  
Department of Labor**

**Submitted by a FL-based Health Plan**

**Through the Federal eRulemaking Portal**

**Brief Background on Submitting Health Plan**

The health plan making this submission is a FL-based Health Maintenance Organization with over 40,000 covered lives. Its large group and individual products are impacted by the health reform act changes. The preponderance of its covered lives is individual policyholders. Many of the benefit designs of the insurer are individual products with very low monthly premiums to attract individuals with very limited means who would otherwise be uninsured as they exceed Federal Poverty Income Thresholds for government programs. For example our comprehensive HMO coverage for children product is set as \$75 per month per child. Our other individual comprehensive HMO coverage begins at \$90 per month per individual.

**Transition individuals**

Previously in a comment submission we stated: "We are seeking clarification surrounding individuals who enrolled in individual policies post 3/23/10 but before 9/23/10. As we understand the rules surrounding these individuals ("transition individuals"), they are not grandfathered but also do not get the benefits of the changes in PPACA until their anniversary date in 2011. We assume they can remain in a grandfathered policy until their anniversary date in 2011 because no mandates apply until then and the essential benefits do not kick in until 2014. We would then move them to a fully compliant non-grandfathered plan. As long as we track these individuals, does this comply with the intent of PPACA and the regulations?"

We wanted to add additional comments regarding this group of individuals:

Beginning on their anniversary date in 2011, these transition individuals will have to move to non-grandfathered plans and face much greater premiums in many cases. For example, the premium for a child may be below \$100 on average for a grandfathered plan. But because of the new mandates regarding guaranteed issue and pre-existing conditions that apply as of 9/23/10, child rates in non-grandfathered plans could be between \$200 and \$300. This could mean many people who decided to get coverage recently might not be able to afford coverage in 2011 and drop it because of the transition from grandfathered to non-grandfathered contracts.

We think the departments should allow individuals covered after 3/23/10 but before 9/23/10 to choose whether to stay on a grandfathered plan permanently or move to non-grandfathered status. If that is not possible, we believe the departments should allow these transition individuals to at least stay in the grandfathered plan until subsidies are introduced in 2014.

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